

The complaint

Mr R complains about how RAC Insurance Limited handled a claim on his roadside assistance insurance policy.

What happened

Mr R bought a travel and roadside assistance policy to cover his family and his car for when they went abroad. The policy is an insurance contract provided by RAC Insurance Limited which also covers him for roadside assistance within the UK and Europe. Mr R was travelling with his family to go on holiday. They were about to board the car train to go abroad when a warning light appeared which indicated an issue with the air suspension on Mr R's car. The suspension on his car had dropped and was bouncing on the tyres so Mr R decided not to board the train. Because of the fault with his car Mr R called RAC to claim on his policy for assistance with his car and onward travel.

Initially RAC couldn't find Mr R's policy which covered these, but after Mr R called back and quoted the policy number RAC located the details. It arranged for assistance to be sent to Mr R but said it couldn't arrange the onward travel until it had attended the breakdown. Mr R said the car initially broke down around 17:00 and that RAC gave a target arrival time of 22:17. After a couple of hours, Mr R said he called RAC to get an update and understand the next steps as there were five of them in the car including children and their luggage. Mr R said he was advised to wait and that he would be updated via text.

At 22:07 Mr R said he received another text which said RAC would be in touch. As Mr R had been waiting for several hours he tried starting his car again and this time the suspension raised. As RAC hadn't arrived Mr R decided to board another train and continue on his journey. He said during their holiday the suspension on the car kept playing up and he needed to keep stopping and restarting the car to reset it. However, it didn't properly level the car and so he had to use the car with faulty suspension and didn't go to some of the places they'd intended to visit due to the fault. Once Mr R returned to the UK he had his car assessed and the fault repaired. He then complained to RAC about the poor claim handling and asked it to cover the cost of the repair to his car.

RAC reviewed the complaint and partially upheld it, it apologised for not being able to attend Mr R's break down as quickly as it had liked and also apologised for the poor communication. RAC offered Mr R £75 compensation and said if Mr R wished to claim costs he'd incurred to fill in the claim form. Mr R submitted his claim, but RAC declined it as it said the costs claimed for weren't covered by the policy terms. Unhappy with RAC's response Mr R referred his complaint here.

Our Investigator reviewed the complaint and found that Mr R's claim wasn't covered by the policy. However, she didn't think RAC's compensation was enough and recommended RAC increase it to £175.

Mr R didn't agree with the outcome. He said he never received any contact from RAC so didn't believe it ever attended his break down. He also said his policy should have covered a hire car for onward travel and if it had done he wouldn't have had the issues with his car not

working correctly while he was away. Mr R also said if he'd contacted the RAC while in Europe then his repair costs would have been covered, however, he only didn't call it again due to the issues he had when he initially called. RAC accepted our Investigator's outcome.

As Mr R didn't agree the complaint has come to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The terms and conditions of Mr R's policy provide different benefits depending on where the breakdown occurs. As Mr R's car broke down in the UK, I've therefore looked at what the policy provides within the UK. The policy says if Mr R's car suffers a breakdown in the UK then it will try and repair the car at the roadside and if this isn't possible it will recover the car to a destination of Mr R's choice. The policy goes on to explain that it excludes cover for the parts and labour needed to repair Mr R's car but says it does cover the labour costs if repaired by RAC. The policy also says if RAC attend a breakdown and can't repair Mr R's car then it will arrange a hire car to continue his journey.

When considering the terms and conditions of the policy I'm satisfied RAC hasn't done anything wrong by declining the claim for the repair to Mr R's car. I say this as the breakdown happened in the UK and therefore the policy doesn't cover the cost of parts or labour as the repair wasn't completed by RAC. I understand Mr R feels these would have been covered if he'd called RAC while in Europe, however this isn't what happened and as Mr R's car suffered a breakdown the terms for when his car has an issue in Europe don't apply. I'm therefore not persuaded RAC has done anything wrong by declining Mr R's claim.

I've also looked at whether RAC has done what it should have when Mr R called to report the breakdown in the UK. RAC has apologised for the delay and poor communication and agreed to pay Mr R £175 for the unnecessary distress and inconvenience it caused. As RAC has agreed it took too long to attend Mr R and didn't communicate as well as it should I've not revisited that here. However, I have looked at the impact of this, as due to RAC taking too long to attend Mr R then decided to continue on his journey, but with a fault with his car.

I've considered this and that Mr R has said he didn't go to some of the places he and his family planned to visit and had the inconvenience of his car not working correctly while away. I've also considered that while this is distressing and inconvenient, Mr R was also able to continue his journey and that he chose to do this due to the suspension working again on his car, albeit temporarily. When considering this I'm also aware that it's possible if the RAC had attended Mr R sooner, that his air suspension might have worked when attended by the RAC, and so he may have continued his journey in his car even if RAC had attended. While it's not possible to know for sure what would have happened, I am satisfied that RAC should compensate Mr R for the delay and poor communication. When considering this I'm satisfied £175 is a fair and reasonable amount, and so RAC needs to pay this to Mr R if not already done so.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require RAC Insurance Limited to pay Mr R £175 for distress and inconvenience, this includes the £75 already offered by RAC Insurance Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 13 September 2024.

Alex Newman
Ombudsman